



Ministry of Foreign Affairs

Sector Scan

Logistics in Sierra Leone

Commissioned by the Netherlands Enterprise Agency

*>> Sustainable. Agricultural. Innovative.
International.*

SLNBCC Sector scan

Logistics in Sierra Leone

July 2018



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About SLNBCC

The Sierra Leone Netherlands Business and Culture Council (SLNBCC) is an affiliate of the GNBCC, Ghana. The SLNBCC has been officially registered and active since September 2017, and is currently building a network of companies from Sierra Leone and the Netherlands. The target being collaborations, investments or partnerships between companies from the two countries.

Our network consists of both government and the private sector actors, and we work closely together with the Sierra Leonean Investment and Export Promotion Agency (SLIEPA) and the Sierra Leonean Chamber for Agribusiness development (SLeCad). The SLNBCC is expanding its membership base, these members receive:

- Monthly newsletters
- Quarterly networking events
- Access to Dutch network, to Dutch companies with interest in Liberia/Sierra Leone and introductions
- Access to more information on the Netherlands Enterprise Agency's (RvO) financial instruments
- Workshops and seminars on business related topics The SLNBCC also offers paid business services to both members as well as non-members. These services include:
- Assisting with travel arrangements for business investors from the Netherlands to Sierra Leone
- Representing and assisting Dutch companies who do not have their own subsidiary, partner or office in Sierra Leone

This sector scan is part of the SLNBCC's efforts to attract foreign companies to engage in business with Sierra Leone. SLIEPA, the foreign investment agency of the government of Sierra Leone, has been a great help in gathering the information for this sector scan.

CHAPTER 1| Executive Summary

Sierra Leone, with its wealth of mineral resources, fertile lands, large natural harbour and relative stability has the potential to develop tremendously. After a decade of civil war (1992-2001), Sierra Leone was steadily recovering to its pre-war conditions. The recent Ebola outbreak has caused a stagnation in this development, however, the government is making concerted efforts towards the establishment of a stable economy. With the implementation of the Agenda For Prosperity in 2013, the GoSL (Government of Sierra Leone) is working towards the realisation of becoming a green, middle income, all-inclusive country by 2035.¹

Currently, Sierra Leone has an underdeveloped infrastructure sector, which can be challenging for businesses. However, this underdevelopment also offers a **potential for innovation, creation and development** of the sector. This is especially interesting for companies with expertise in supply chain logistics, digital logistics, port development and transportation.

Also, the GoSL has signed a 25-year agreement with Bolloré for the rehabilitation and development of logistic and customs improvement for the Port of Freetown.² Combined with the EVO Fenedex logistics management training in Sierra Leone, Liberia and Guinea, not only will the infrastructure logistics improve locally, but also regionally, strengthening the Moa River Union countries and potentially attracting foreign investment.

This sector scan provides an overview of the logistics sector, with detailed information and the identification of opportunities in transportation, ports and shipping and supply chain management.

Sector	Ch. 6: Transportation	Ch. 7: Ports & Shipping	Ch. 7: Supply Chain Logistics
Opportunities	<ul style="list-style-type: none"> - Lorries - Distribution logistics - Coastal/inland transportation - Procurement logistics - Equipment delivery 	<ul style="list-style-type: none"> - Vessels - Digital innovation/logistics - Central port facility development - Dredging - Heavy machinery delivery - Agency/relationship management 	<ul style="list-style-type: none"> - Value addition production logistics - Storing/ cooling facilities - Distribution logistics - Digital logistics

¹ the Agenda for Prosperity (A4P), GoSL, 2013

² Bolloré: <https://www.bolloré-ports.com/en/worldwide-network/africa/port-of-freetown-sierra-leone.html>

CHAPTER 2| Acronyms

• AfDB	African Development Bank
• AfP	Agenda for Prosperity
• DfID	Department for International Development
• ECOWAS	Economic Community of West African States
• EU	European Union
• EVD	Ebola Virus Disease
• GDP	Gross Domestic Product
• GoSL	Government of Sierra Leone
• MAFFS	Ministry of Agriculture, forestry and Food Security
• MRU	Mano River Union
• MTI	Ministry of Trade and Industry
• NEPAD	New Partnership for Africa's Development
• NRA	National Revenue Authority
• PRA	Petroleum Regulatory Agency
• RVO	Netherlands Enterprise Agency
• SLIEPA	Sierra Leone Investment & Export Promotion Agency
• SLPA	Sierra Leone Port Authority
• SLRTC	Sierra Leone Transport & Road Corporation
• UN	United Nations
• UNDP	United National Development Program
• WAPP	West African Power Pool

CHAPTER 3| The Sierra Leonean Context

Country Overview

Sierra Leone is found in the West Coast of Africa, bordered by Guinea and Liberia. It has been experiencing annual GDP growth. Several years back, the country's GDP growth rate was one of the highest in Africa, but had a quick downward turn due to the twin shocks of a shrinking of the global iron ore price and the outbreak of the Ebola Virus Disease. However, Sierra Leone is actively reforming its business environment in order to facilitate the ease of doing business in the country.

Sierra Leone recently had a change of government, with Brig. Julius Maada Bio of the Sierra Leone People's Party (SLPP) as the new president of the country. His New Direction strategy promises an avid investment and development of the private sector, with one of its' goals to attract foreign investors and companies. Real GDP growth of double digits was a clear indication that the country was developing fast. Average GDP per capita has almost returned to its pre-2014 Ebola percentages and growth is registered in almost all sectors.

The mining and agriculture sector are the leading sectors in the country. The mining sector accounts for roughly 90 percent of annual export revenues. In 2016, Sierra Leone's exports were worth approximately US\$897 million, of which mineral resources accounted for approximately 75%, followed closely by cocoa (8.5%) and coffee.³

Sierra Leone's main imports (US\$1.21 billion in 2016) are machinery and transport equipment, which are relating mainly to mining and oil investment projects. These account for approximately 50% of total imports. The other main import is fuel, accounting for 10%.⁴

As the country is also strengthening its infrastructure, real opportunities for businesses lie in the support of this development. Supply-chain logistics, machine delivery, ICT- management and dredging, for example, are all facets of the infrastructural growth for which experts are necessary.

History & Politics

Sierra Leone gained independence from Britain in 1961. From 1961 to 1998, the political system shifted between multi- party democracy, military rule and one-party rule. Sierra Leone has remained a multi-party democracy since 1998. The country emerged from a decade-long civil war in 2002. The constitution recognizes three branches of government: legislative, executive and judicial. Parliamentary terms last for five years and the President may not serve for more than two terms, whether or not those terms are consecutive. After a two-term reign, former president Ernest Bai Koroma stepped down and was replaced by Julius Maada Bio of the opposing SLPP. Maadia Bio won with a 51.8% of votes. However, APC still holds the majority of seats in parliament. The constitution, as currently drafted, does not allow an incumbent to stand for a third term. The peaceful, credible and stable transition of powers should increase investor confidence by providing a reduced risk of shock and greater predictability.

³ <https://atlas.media.mit.edu/en/profile/country/sle/>

⁴ <https://atlas.media.mit.edu/en/profile/country/sle/>

Governance

The Government of Sierra Leone is led by a President elected directly by the people and who is also the Head of State and Commander-in-Chief of the armed forces. Within the Government of Sierra Leone, the Ministry of Trade and Industry has oversight over policies relating to domestic and international trade. The Sierra Leone Investment & Export Promotion Agency (SLIEPA) is responsible for policies to improve the investment climate, promote local and export trade, and encourage the development of small-to-medium-sized businesses. SLIEPA has thus far focused on Foreign Direct Investments in key economic sectors including the agriculture, marine resources, mining, energy, and tourism sectors. A system of local government was established by the Local Government Act 2004, which is comprised of 19 councils. Five city councils, one municipal council, and 13 district councils form the total of this local government structure. The Decentralization Secretariat was established under the World Bank's Institutional Reform and Capacity Building Project to promote decentralization.

Core industries

Agriculture (key crops: rice, sugar, oil palm and cocoa, as well as agribusiness functions relating to trading and/or processing); diamonds (over 600,000 carats exported in 2013), iron ore (one of the world's largest iron ore deposits at African Minerals' Tonkolili mine contains an estimated 12.8 billion tonnes), rutile (the world's largest reserves, producing an estimated 120,000 tons of contained titanium dioxide in 2014), gold (producing approximately 141 kilograms worth of gold in terms of mine output in 2012 and 193 kilograms in 2014) and bauxite mining (including the country's Port Loko deposit, which contains 100 million tons of bauxite reserves).⁵

Key exports and imports

Sierra Leone's main exports are in the mining and agriculture sectors. Until 2012, diamonds were Sierra Leone main export product. Iron ore has since taken its place, accounting for 55.7 percent of total exports in 2013. The mining sector accounts for roughly 90 percent of annual export revenues. In 2016, Sierra Leone's exports were worth approximately US\$897 million, of which mineral resources accounted for approximately 75 percent, followed closely by cocoa (8.5 percent) and coffee. Sierra Leone's main imports are machinery and transport equipment (largely relating to mining and oil investment projects and accounting for approximately 50 percent of total imports) and fuel (10 percent).⁶

Foreign Aid

The country remains largely dependent on foreign aid. The current account deficit was estimated to be US\$511.8 million in 2013 and US\$466.9 million in 2014. The deficit was reported to be around US\$582 million in 2015. Sierra Leone benefits from the support of various international agencies, including the United Nations Development Programme (UNDP), the World Bank, and the UK Department for International Development (DFID).

⁵ <http://www.worldbank.org/en/country/sierraleone/overview>

⁶ <https://atlas.media.mit.edu/en/profile/country/sle/>

The Ports

Freetown boasts one of the largest deep water natural harbours in Africa. The existing QE2 Freetown container port is currently managed by Bolloré Africa Logistics under a 20-year concession agreement awarded by the Sierra Leone Port Authority (SLPA) in 2010. The agreement includes plans to renovate the port's bulk handling terminal and expand its capacity. GoSL is also considering developing a "dry port" to ease congestion at QE2 and facilitate the transportation of containers destined for rural areas. Further efforts to involve private partners in the ports system have seen the SLPA award a 20-year concession for the Marine Slipway and Ship Repair facilities to Holland Shipyard.

To support the needs of the mining sector, the GoSL plans to develop a new deep water port and associated rail infrastructure with the capacity to export between 30-50million tonnes of ore and other minerals each year. A pre- feasibility study to review options for the new deep water port was commissioned by the GoSL in 2014. The World Bank is carrying out the study as part of a project to develop a "Ports Master Plan" assessing the need for the expansion of the Freetown Port and the feasibility of the proposed deep water port. It is hoped that the study will also consider the potential for shared use at the Tonkolili and Pepel port.⁷

⁷ Sierra Leone: An Investor's Guide – A Private Sector Perspective on the Investment Landscape, p36

Chapter 4 | COUNTRY OVERVIEW

Population	7,369,190 ⁸
Urbanization	40.7% ⁹
Situated	West Africa, coastal, Sub-Sahara
Bordered by (West)	Guinea (North/NorthEast), Liberia (South/SouthEast), Atlantic Ocean
Area	71,740 square kilometres.
GDP	US\$3,737 billion ¹⁰
Real GDP growth	6% ¹¹
Official language	Krio, English
Ha of arable land	5.4 million
Rainfall	3,800mm annually
Climate	Tropical
Seasons	Two: Rainy season (monsoon): May to October & Dry Season (Harmattan) October to May

⁸ World bank 2016

⁹ IMF 2017

¹⁰ IMF 2017

¹¹ IMF 2017

Chapter 5| The Logistics sector

The Government of Sierra Leone (GoSL) has placed private sector-led growth at the heart of its Post-Ebola Recovery Strategy (published in 2015), acknowledging the need to assure investors that Sierra Leone has a great potential for business growth.

Furthermore, the GoSL a number of policies aimed at supporting growth, reducing poverty and closing the infrastructure gap. These include incentives for infrastructure projects with development costs exceeding US\$20 million, which are exempt from income taxes for 15 years from start-up.

This positive attitude from the GoSL is paired with a number of ongoing projects aimed at strengthening the logistics sector. An example of this is the replacement of the 1964 Ports Act with the Harbor Act¹², and the development of a new port facility security plan to meet International Ship and Port Facility Security (ISPS) requirements.¹³

On a whole, Sierra Leone has had a slow recovery from the civil war, hampered further by the recent Ebola virus outbreak. However, the rising trend of development after the war continued as the Ebola virus was contained. The Logistics Performance Index (LPI) shows that Sierra Leone has been underperforming when compared to other Sub-Saharan countries, however, the current efforts of the government, combined with the ongoing modernization and improvement projects will most likely result in a rising trend. Furthermore, exactly because of this low performance, many opportunities lie in the streamlining of related processes. This becomes especially interesting in the supply chain logistics segment.

The Logistics Performance Index criteria

The logistics performance index rates countries on their ability to execute logistics tasks. The lowest score is a 1, and the highest is a 5. Below is the LPI for Sierra Leone in 2016, with each bullet point showing the performance on specific areas.¹⁴

- *Efficiency of the clearance process; this includes the speed, simplicity and predictability of formalities by border control agencies and customs (2.00)*
- *Quality of trade- and transport-related infrastructure; meaning ports, railroads and information technology (2.41)*
- *The ease of arranging competitively prices shipments (2.54)*
- *Competence and quality of logistics services; of for example transport operators and customs brokers (2.46)*
- *The ability to track and trace consignments (2.42)*
- *The timeliness of shipments in reaching destination within the schedules or expected delivery time (2.84)*

¹² <http://www.sierra-leone.org/laws.html>

¹³ Global Tracking & Maritime Solution: <http://www.ctn-gtms.com/?ISPS-CODE>

¹⁴ <https://lpi.worldbank.org/international/scorecard/column/254/C/SLE/2016>

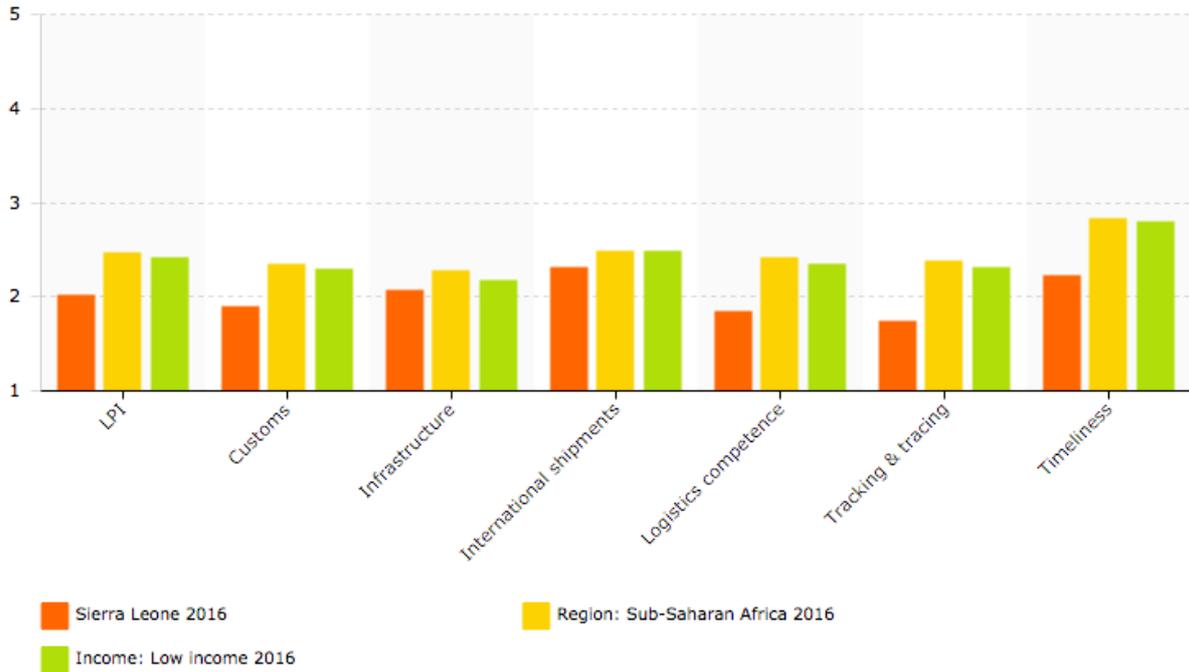


Figure 1. Country Score Card of the LPI, with 1 being the lowest score and 5 being the highest. Source: AMcharts.com

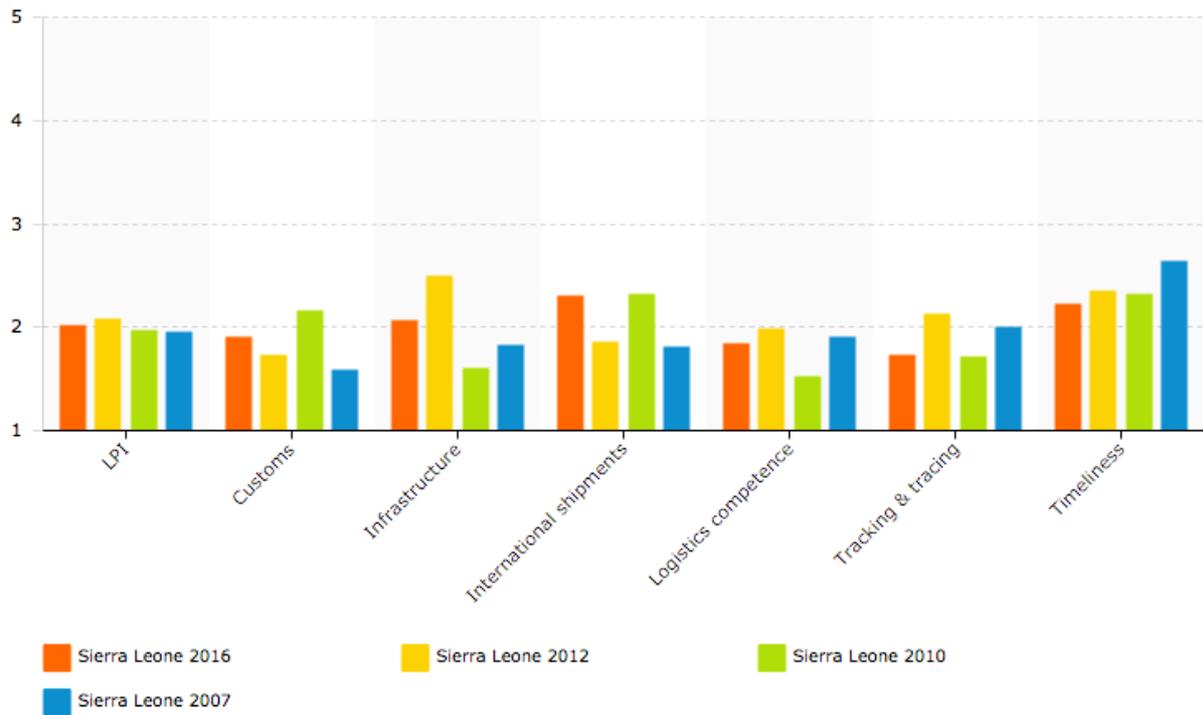


Figure 2. Country Score Card of LPI showing the fluctuations of Sierra Leone's performance in the logistics industry over the past 9 years.¹⁵

¹⁵ <https://lpi.worldbank.org/international/scorecard/column/254/C/SLE/2016>

Energy

Sierra Leone currently has 99.6 MW of installed power capacity for a population of approximately 7 million persons. To augment the country's energy needs, a cocktail of interventions are being pursued. Thermal generation, hydroelectricity and solar energy generation are employed in different parts of the country. A number of donor partners including the World Bank, Japan's International Cooperation Agency (JICA) and other Public Private Partnership (PPP) arrangements are being used.

Hydroelectricity is the main energy source in Sierra Leone. Sierra Leone is known to have numerous potential hydroelectricity sites (above 20) that have total capacity 1,200 MW according to the 1996 Lahmeyer International Power Sector Master Plan. At the moment there are only two main hydro stations; Bumbuna and Dodo, that are producing electricity above 2 MW. This great hydroelectricity potential of the country should be harnessed if Sierra Leone should ever have any sustainable electricity production. The gap between the available hydroelectricity potential and the actual hydroelectricity in the country is appealing for investment.

Sierra Leone has significant hydropower potential. In addition to the expansion of the Bumbuna hydroelectric plant, the government has identified up to 27 hydropower sites suitable for development, with a total anticipated generation capacity of 1,513 MW. These include a large-scale project at Bikongor with generation potential of up to 200 MW and mini-hydro plants with a capacity of less than 1 MW, which are expected to become a major area for PPP and a means of widening access to power in Sierra Leone.

Airports

Sierra Leone's main airport is Lungi International Airport (LUN), located 26 km from Freetown by land. During the Ebola Virus Outbreak, all airlines save for SN Brussels stopped flying to Sierra Leone. However, since the containment of the outbreak, more and more airlines have started flying to Lungi Airport again, allowing for an increasingly easier access to the country.

Continental

Air Cote D'Ivoire
ASKY Airlines
Med View Airlines
Air Peace
Kenya Airways

Intercontinental

Air France
Turkish Airways
SN Brussels
KLM
Royal Air Maroc

Used for both freight transportation and commercial transport, the total average annual throughput at the airport is currently about 4,000 tonnes, growing at an average of 6%-10% per annum.

Development of Lungi International Airport

Lungi now has only one terminal and used to have little facilities to handle international shipments and flow of goods. However, an 8 million pound sterling contract has resulted in the complete refurbishment of the airside infrastructure of the Lungi International Airport.¹⁶

Also, a Concession Agreement with Bolloré for the provision of ground handling services and management of the cargo warehouse has been signed by the GoSL in 2010.

Lastly, there are plans for building a bridge that separates Freetown from Lungi airport, increasing accessibility and decreasing travel time from Lungi Airport to Freetown. Currently, it takes 3,5 hours by road to reach Freetown from Lungi, or 45 minutes by boat to travel from Tagrin Bay (Lungi) to Kissy Ferry terminal in the east end of Freetown.

Mamamah airport construction

In the beginning of 2018, The GoSL has started the construction of its €318 million second airport, the Mamamah international airport. The construction of the airport is partially funded by the Chinese Exim Bank, who provided a 30\$m grant to the GoSL. Construction of the airport commenced in Q1 of 2018 and is carried out by the China Railway Seventh Group.¹⁷

Although this project is executed by a Chinese firm, it is still likely that this project will require international expertise and equipment, providing opportunities for companies with vast experience in the logistics sector.

Railroads

In 1897 the first railway in Sierra Leone opened, running for a distance of 11km from Freetown to Wellington. By 1930, the Sierra Leone Government Railways reached a total length of approximately 500km. In 1974 the company ceased operations.¹⁸

Alternatively, there is an 85km railway that runs from Marampa's iron ore mine to the port of Pepel, leased by African Minerals Limited (now acquired by Shandong Iron & Steel) in 2009. In 2011 AML rehabilitated and the railway, and added a 120km extension to a new mine in Tonkolili. Shandong Iron & Steel own the railway line.¹⁹

Fuel

Currently, Sierra Leone does not locally produce fuel but imports mainly from Abidjan, Cotonou and from Europe. The fuel sector is regulated by the Ministry of Trade and Industry (MTI) through the Petroleum Regulatory Agency (PRA), who verify fuel prices and monitors the the quality through the Sierra Leone Standards Bureau.

Import of fuel was constricted due to the limited capacity of the old Jetty at Freetown Port. However, the construction of a new jetty by the Petrol Jetty Company in collaboration with the GoSL, has increased the capacity of the port.

¹⁶ <https://laganscg.com/case-study/lungi-international-airport/>

¹⁷ <http://www.theeastafican.co.ke/news/Sierra-Leone-launches-Chinese-funded-airport-/2558-4332072-qvhsx5z/index.html>

¹⁸ Information sourced from the National Railway Museum, Freetown

¹⁹ <https://mining-atlas.com/project/Marampa-Iron-Ore-Mine-Project.php>

There are currently three authorized importers:

- 1) Total
- 2) Petroleum SL Ltd. > Uses NP's facilities of 800 mt at Kissy Port
- 3) Randlyn Petroleum> rents facilities of the old refinery and has a storage capacity of 50,000 mt at Kissy Port

Also, there are five oil marketing companies²⁰

- 1) Total SL Ltd.
- 2) National Petroleum Company (NP)
- 3) Randlyn
- 4) Leone Oil
- 5) Safecon

Some of these companies use a distribution network of different dealers who sell to retailers and the public. Other use sub-contracted transporters to transport fuel.

Fuel prices are verified bi monthly by the PRA, taking into account the average price as indicated by the World Market Price (PLATTS). It includes road taxes and the exchange rate to USD.²¹

There is no rationing system. The Sierra Leone Standards Bureau tests the fuel quality. Transportation of fuel is handled by sub-contracted transporters. Opportunities lie here for companies specialised in the efficient and safe transportation of fuel.

Telecommunications

Mobile telecommunications

Sierra Leone has two major companies dominating the mobile telecommunications market. Africell and Orange (formerly known as Airtel) share the largest portion of the market.

The telecommunications sector was a state-owned monopoly until the late 1990s. It has been significantly liberalised since the first mobile phone licences were awarded in 1994.²²

Since 2002, it has been possible to obtain a "generalised licence" for the provision of telecommunications services, allowing competition to grow rapidly in the industry. All telecommunications operators must be licensed by the National Telecommunications Commission (NATCOM).

Internet connectivity

Sierra Leone is linked to the ACE submarine cable that runs from France to South Africa since 2013. This cable is a fibre-optic data highway, which is similar to the ECOWAS fibre optic network (ECOWAN) managed by SALCAB (Sierra Leone Cable Ltd.) The Irish- owned telecoms company KN Group, is executing the design, supply and installation of this cable. The Sierra Leonean project is a \$28 million project that will deploy 660 km of fibre optic cable from Freetown to Zimmi, which borders Liberia. The cable is then linked to Gbalamuya, bordering

²⁰ Data sourced by SLIEPA

²¹ SLIEPA: <http://www.kngroup.com/solutions/telecoms/ecowan-fibre-optic-network/>

²² Sierra Leone: An Investors Guide

Guinea.²³

After completion of this project, the data services in Sierra Leone could improve tremendously, decreasing commercial prices and increasing the speed of the network. Furthermore, it should improve connectivity in less developed areas of the country, which are now often devoid of any data access.

Currently, Orange, Africell, Sierratel, and Onlime are leading the market in terms of data services. 4G LTE mobile network is available for sim card holder, and privately owned cables can be installed for landline connectivity.

The GoSL is developing an Electronic Transaction Policy and legal framework to cover e-learning, e-health, e-agriculture and facilitate effective service delivery within MDAs. A Technical Working Group comprising key stakeholders within the GoSL are drafting the relevant policy.²⁴

²³ KN Group: <http://www.kngroup.com/solutions/telecoms/ecowan-fibre-optic-network/>

²⁴ Herbert Smith Freehills LPP 2018: <http://www.investinginsierraleone.com/infrastructure/>

Chapter 6 | Transportation

Road network

One of the most visible area's that is both a challenge to the country and an opportunity is the physical infrastructure of the country. The official public road network totals about 11,000km, comprising about 8,000km classified in the National Road System and approximately 3,000km of local networks and unclassified roads and tracks. Most of these road networks are in need of improvement.

The GoSL in its previous terms has made it a priority to ensure high quality road infrastructure. An example is the construction of the new 62km toll road that connects Freetown to the north. This project was executed by the China Railway Seventh Group Company Limited, who is a contractor of several other road projects, including the Regent Road Project.

The construction of new roads is limited to the dry season, meaning that construction commences in November and usually ends in May. One of the biggest projects is the Bandajuma-Gendema Highway Construction project, which will pave 103km of road connecting Liberia to Sierra Leone.

The SLIEPA website has links to ongoing projects with further details:
<http://sliempa.org/investment/infrastructure/>

There are a number of notable projects that are in various stages of design and tender, as summarised below.

Show entries

Search:

Project Title	Distance (Km)	Estimated Project Cost
Kailahun-Koindu Road	54.4	US\$36.5 million.
Kenema-Zimmi Road	85.0	US\$42.5 million.
Matotoka-Sefadu Road	120.0	\$67million; \$43 Million Funded
Bo - Bandajuma Road	44.0	US\$22 million.
Mano Juntion -Bumpeh	85.0	US\$56.4 million.

Picture 1. SLIEPA information on road construction

Opportunities

- With the occurrence of the mudslide in August 2017, Sierra Leone has implemented the Freetown Emergency Recovery Project, funded partially by the World Bank. This \$11.54 million project has commenced in February 2018, and is supposed to last until February 2021. This project includes the rehabilitation of Road, Bridge and Drainage Infrastructure Rehabilitation ((US\$2.8 million IDA + US\$0.25 million counterpart financing), Water Infrastructure Rehabilitation (US\$2.6 million IDA + US\$0.25 million counterpart financing)). And Strengthening Solid Waste Management Planning (\$0.6 million).²⁵

²⁵ Freetown Recovery Project by the World Bank:
<http://documents.worldbank.org/curated/en/198391526298139128/pdf/Plan-Archive-1.pdf>.

The African Development Bank (AfDB) is supporting GoSL by: (i) providing water supply for Internally Displaced Populations; (ii) emergency repair of the Kingtom fecal sludge management facility; and (iii) a comprehensive study for the Freetown water resources management and investment plan to be ready by 2019.

UNOPS is strengthening the slope, however, companies with expertise in water management, waste management and road/bridge construction are desperately needed to execute the project as soon as possible.

27% of the project is dedicated to the construction and rehabilitation of rural and inter-urban roads. Currently, there is a procurement plan for 18 months active that started in May 2018.²⁶

- **Transportation:** As development of roads continues, accessibility to the provinces has been increased dramatically, cutting down travel time and limitations by monsoons. This is especially interesting for companies with interests in agribusiness, as the increased accessibilities opens up new opportunities for swift the transportation of perishable goods.
- **Construction:** Companies with heavy equipment and machineries, for example asphalt mixers or motor graders, have considerable business opportunities.
- As Sierra Leone has an extensive river network (eg. Moa river), transport companies with expertise in operating fleets of mixed trucks and heavy-duty equipment, can find plenty of business opportunities in this area. Additional opportunities are to form partnerships with coastal marine transport vessels to convey their cargo to and from the ports to Sierra Leone's interior.
- Furthermore, opportunities lie in the optimisation and the digitalisation of the transportation process, especially with perishable goods. More information on this subject will be given in the chapter on supply chain logistics.

²⁶ Read more: <http://documents.worldbank.org/curated/en/198391526298139128/pdf/Plan-Archive-1.pdf>.

Chapter 7 | Ports & Shipping

Freetown has the largest deep water natural harbour in Africa. With its excellent position tapping in to several existing trade routes, Sierra Leone has the potential to become one of the most important transportation hubs in the continent.



Figure 2. Global shipping routes²⁷

Furthermore, as the mining sector is developing, efforts are made both within the private sector and in the GoSL to develop the ports in the country. These include the QE2 Freetown Countainer port, currently managed by Bolloré Africa Logistics under a 20-year concession agreement, but also the development of smaller ports, located at important mining stations.

The port of Freetown

The port of Freetown is privatized and managed by Bolloré. The main function of the port is to control all marine activities in Sierra Leone. Such activities include; import, export of cargo, stevedoring, passenger vessels and the monitoring of all ports and shipping agencies. The cargo imported and exported includes, but is not limited to; containerized, break-bulk and bulk cargo, petroleum products, vehicles, machineries and general cargoes.

Facts²⁸

Annual cargo handling capacity	- 9,075,523 metric tons
Total annual import	- 2,198,537 metric tons (2017)
Amount of forklifts	- 8 forklifts
Berths	- 6 berths, more than 1km of continuous berth
Stevedoring	- Run by two stevedoring companies
Metrics	-10m deep (high tide), 7m deep (low tide), 1,076m long

²⁷ For up-to-date shipping routes with realtime GPS, visit: <https://www.wired.com/2010/01/global-shipping-map/>

²⁸ Information sourced by SLIEPA

Container stocking capacity - Increased from 20,000 units in 2011 to 100,000 in 2017

Key stake holders

- Bolloré (Freetown Terminal Limited) – responsible for containerization and break-bulk operations
- Nectar Bulk Terminal SL (NSBT) – handles all bulk and break-bulk terminals
- Africa Link – handle all scanning of import and export containers entering and leaving Sierra Leone.
- Sierra Leone Dock Labour Company (SLDLC) – responsible for providing Stevedoring services at the Port.
- Port Stevedoring – also responsible for stevedoring services
- Transport & Ports Management Systems (TPMS) – responsible for cargo and vessel tracking from the Port of loading to the Port of discharge.
- Shipping Companies – responsible for the provision of shipping services from vessel to clients. In other words, they interface between the shipping lines and customers.
- Clearing and forwarding agencies – handle the clearing process
- National Revenue Authority (NRA) – responsible for custom duties and other taxes.
- Sierra Leone Ports Authority (SLPA) the Landlord of the Port, hence monitor the activities of all the key players at the Port.

Current policies and projects to develop the port and attract foreign investors

The port has faced several key challenges, which has hampered the development of international trade. However, there are several ongoing projects to solve these challenges. For example, the export process used to entail 32 steps and has now been reduced to 17 steps.

1) The development of a new Berth (port expansion project)

The construction of the multipurpose berth of 275 meters long will expand the capacity of the port and transform it into a transshipment hub. Project costs is at \$120 million, funded by Bolloré

2) The development of the Sierra Leone Port Master Plan

The project includes an assessment of all available data regarding policies, regulatory and institutional framework in order to further develop the ports. This \$752,000 project is being funded by Africa Development Bank (ADB).

3) Development of a waste reception facility in compliance with MARPOL.

It will be funded by a private company Zeal Environment Technology Ltd.

- 4) Development of a centralised customer service hotline; the purpose is to understand an act on customers feedback. The project costs \$75,000 and was funded by SLPA.
- 5) Development of a public outreach strategy in order to increase accountability and transparency towards port related processes.
- 6) The 1964 ports Act to be replaced with a new ports and Harbor Act. The bill is currently at the Attorney General's Office for review for an onward submission to parliament for ratification.
- 7) A new cement factory constructed at the Port by Dangote group of companies.
- 8) Development of a new port facility security plan to meet International Ship and Port facility Security (ISPS) requirement.
- 9) The Dutch Ministry of Economic Affairs and the Netherlands Enterprise Agency (RVO) have started a program this year for training and capacity building of the logistics sector in Sierra Leone, Liberia and Guinea. This project is executed by EVO Fenedex.²⁹

Smaller mining ports

Apart from QEII, there are two smaller ports at Nitti, used exclusively for the export of rutile and Bauxite mined in Bonthe, and the Pepel port, used for the export of iron ore from the northern part of the country.

Lastly, feasibility studies are being made for the development of a deep water port in Sulima. Sulima, which lies at the mouth of the Moa river, is a coastal town that borders Liberia. The China Kingo company is interested in constructing a deep water port, a smelting facility and an industrial park.

The smelter is supposed to be powered by a 350-MH hydro station, to be constructed on the Sewa River. The Tonkolili mines would be connected to Sulima by a 250km railway, yet to be constructed.³⁰

Opportunities

- Companies with expertise in dredging can find opportunities with the new port developments. The same goes for companies exporting heavy machinery.
- With the extension of the mining capacity in the country, trade routes will be developed and rehabilitated, including a railway system and road construction from mining sites to export hubs, both marine and over land.
- Harbour construction and the construction of jetties to support transportation of goods
- Sierra Leone has huge agricultural potential for which the government has incorporated several policies and strategies which are now showing results. This also means that the handling of produce will become an excellent business opportunity, especially cooling and storage facilities of perishable goods.

²⁹ Note: All of this information has been sourced by SLIEPA.

³⁰ Mining Weekly- article by Natasha Odendaal: <http://www.miningweekly.com/article/shining-iron-ore-future-for-sierra-leone-possible-as-chinese-investors-commit-2017-01-13>

- Sierra Leone is accepting bids (deadline September 27, 2018) to licence five deep water offshore blocks containing oil and gas. The five contract areas cover 31,653 square kilometres of deep water off the coast. As oil and gas extraction will commence in the future, opportunities for both transportation services and storage/handling of the commodities.³¹
- Sierra Leone is well connected by a river network. The Dutch inland navigation sector, with Europe's largest and innovative fleet, can offer a reliable, cost efficient and sustainable extension of maritime transport chains. This could be applicable as well to Sierra Leone, where the projected increase of export goods (mining and agriculture) and the limited accessibility of inland areas during rainy season, offer huge potential for Dutch companies with the required expertise.

³¹ Reuters- article by Cooper Inveen: <https://www.reuters.com/article/leone-oil/sierra-leone-in-fourth-bid-to-launch-oil-sector-with-licensing-round-idUSL8N1TG4EI>

Chapter 8| Supply Chain Logistics

Supply chain management includes the planning and management of all activities in procurement, conversion, sourcing and all logistics management activities. Those involved are suppliers, agents, intermediaries, customers and third party service providers.

In order to develop in an ever increasingly globalised and liberalised global economy, proper supply chain logistics execution and coordination is essential. Meeting international standards can be of importance in economic growth, and can have a positive impact on the sector in which the supply chain logistics occurs.

Sierra Leone has challenges in supply chain logistics that slow economic development. Manual processing of import documentation, delay in cargo delivery at QEII port, unreliable and inefficient logistics companies (transport) and the interference of monsoon rains on cargo delivery are some of the main challenges the country faces. Nevertheless, most of these issues are being tackled by logistics improvements, such as the EVO Fedex logistics improvement project that commenced in 2018.³²

Diversification of economy

As mining remains the upholder of the economy, a drop in prices for minerals can have a drastic effect on the economy. Hence, the government is trying to diversify the economy. This includes investing in the agricultural and tourist sector, but also in trying to boost the manufacturing sector. Currently, the manufacturing sector is dominated by cement and light manufacturing, and account for only 2% of GDP.³³

One of the strategies is to invest in agribusiness. Coffee, cacao and fish, if produced to international standards, provide excellent opportunities for increased export value. Furthermore, rubber and plastic manufacturing, fruit juice and honey are currently manufactured in Sierra Leone and exported regionally and internationally.³⁴

Opportunities

- Companies with expertise in supply chain management to increase transparency, efficiency and effectiveness can increase the attractiveness of trade in Sierra Leone. Examples are digital innovation, solution engineering and analysis and data sourcing.
- A big opportunity lies in the creating of digital solutions and digitalisation of certain processes. For example, the Netherlands imports roses from Kenya, and most of the documentation process is managed digitally. This increases transparency and efficiency, which are requirements for international (certainly European) companies.
- Agents and councils that have a reliable network of local partners can positively impact the industry. Often, European companies deliver cargo up to the port, after which third parties continue the distribution process. Cultural differences and unreliable parties can be of negative impact, therefore, having trustworthy local handlers can increase effectiveness.

³² This information was sourced by an interview with Peter van Rheenen, project manager at EvoFedex (June 8th, 2018)

³³ Sierra Leone Agro Processing Competitiveness Project 2018

³⁴ Read more:

http://mofed.gov.sl/media/attachments/2017/11/09/Final_ESMF_SierraLeoneAgroprocessingProject-28May2018.pdf

- With the expansion of manufacturing and the agricultural sector, opportunities lie in companies dealing with packaging services, storage facilities, cooling facilities, transportation, processing of goods and distribution services.
- There lies great potential in the food processing industry, especially in packaging and manufacturing. Nuts, oils, fruits, fish and poultry production are supported through government and NGO's.

Chapter 9| Policy Framework

- The Agenda For Prosperity (A4P) 2013

Adopted policy by the GoSL to raise Sierra Leone's profile to that of a green, all-inclusive, middle income country.

- The GoSL's Transport Policy, Strategy & Investment Plan| 2013

Establishes the following objectives: maintaining international connectivity, supporting regional integration, ensuring national continuity and supporting key economic sectors.

- Public Private-Partnership Act (PPP Act) | 2010

An agreement act between a public authority and a private partner, applicable to infrastructure projects and social sector service projects.³⁵

- SLNC Act (Sierra Leone National Resources Committee)| 2013

Monitoring and controlling of maritime and private port facilities

- Sierra Leone Local Content Agency Act" 2016

This Act established several aspects of the local content inclusion process, namely the Sierra Leone Local Content (SLC) Agency. The act creates a fund to support suppliers, exporters and importers, provisions for employment and training of citizens and rules for tendering processes.

- The Investment Promotion Act| 2004

Deals with the rights for foreign investors and taxation.³⁶ Licenses and costs are established by the National Revenue Authority (NRA)^{37,38}

³⁵ <http://www.sierra-leone.org/Laws/The%20Public%20Private%20Partnership%20%20Act,%202010.pdf>

³⁶ <http://www.sierra-leone.org/Laws/2004-10p.pdf>

³⁷ <http://www.parliament.gov.sl/dnn5/LinkClick.aspx?fileticket=4TVSzJOh7ek%3D&tabid=79&mid=650>

³⁸ <http://nra.gov.sl/individuals-and-partnerships/licenses>

Chapter 10| Institutional Framework

Ministry of Trade and Industry (MTI)

Has the mandate of developing policies and programmes to support local and export trade as well as to enhance private sector investment, industrial and economic growth.³⁹

Ministry of Transport and Aviation (MTA)

The transport sector is divided in three modes; the road, maritime and air transportation. These modes are regulated by the statutory bodies. The ministry handles policy matters for execution.⁴⁰

National Revenue Authority (NRA)

The NRA is charged with the responsibility of assessing and collecting domestic taxes, customs duties and other revenues specified by law, as well as administering and enforcing laws relating to these revenues.⁴¹

Sierra Leone Airports Authority (SLAA)

Established to transport Freetown International Airport into a regional hub and to facilitate the transshipment of cargo and passengers.⁴²

Sierra Leone Local Content Agency (SLC)

The SLC is a semi-autonomous intervention under the Government of Sierra Leone (GoSL) to strengthen the local economy by creating linkages between Foreign Direct Investments in Sierra Leone. They focus on capacity development, systems coordination, SLLCA compliance, supplier & market development and community relations.⁴³

Sierra Leone Investment & Export Promotion Agency (SLIEPA)

SLIEPA follows the enactment of the Investment and Export Promotion Act adopted in 2007. Their main is to promote investment opportunities in Sierra Leone and to facilitate these processes.⁴⁴

Sierra Leone Port Authority(SLPA)

Supervising and regulating the ports of Sierra Leone.

³⁹ <http://www.trade.gov.sl/index.html>

⁴⁰ <http://mta.gov.sl/>

⁴¹ <http://nra.gov.sl/>

⁴² <http://www.slaa.sl/>

⁴³ <http://www.localcontent.sl/index.html>

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CHAPTER 8

- Information based on an interview with Peter van Rheenen (Project Manager EvoFenedex), 08-06-2018

- Sierra Leone Agro Processing Competitiveness Project 2018

CHAPTER 9

All relevant laws and policies:

[http://www.sierra-](http://www.sierra-leone.org/LawsThe%20Public%20Private%20Partnership%20%20Act,%202010.pdf)

[leone.org/LawsThe%20Public%20Private%20Partnership%20%20Act,%202010.pdf](http://www.sierra-leone.org/Laws/2004-10p.pdf)

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Institutional frameworks:

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